

S.S. No. _____

SERVICE STATION GROUND LEASE

This Agreement is entered into as of May 7, 1964, by _____VICTOR W. MARKOV and JUNE A. MARKOV, husband and wife,

hereinafter called Lessor, and by SOCONY MOBIL OIL COMPANY, INC., hereinafter called Lessee, having a place of business at 612 South Flower Street, Los Angeles, California.

1. **Premises.** Lessor hereby leases and Lessee hereby hires and takes the premises situated at _____
7300 East Marginal Way South

in the City of _____, County of King,
 State of Washington

and more particularly described as follows, hereinafter called the premises:
The southeasterly 205.75 feet, more or less, that lies southeasterly of a line projected east and west from the southeast wall of the existing sales office building situated at 7300 East Marginal Way South, together with the right to park a maximum total of twenty (20) automotive passenger cars upon the adjoining property.

Lessor and Lessee agree to amend this agreement at Lessee's request by modifying or adding to the above description of the premises to the extent required for Lessee to obtain a leasehold policy of title insurance satisfactory to Lessee. Lessor shall reimburse Lessee for the cost of said policy.

OWN.
 ← INITIAL
 J.A.M.

2. **Term.** This lease shall be for a term of (One Hundred Twenty (120) months commencing June 1, 1964.
 commencing on the date that all improvements and equipment necessary for the storage and dispensing of petroleum products and the operation of an automotive service station business shall have been installed, as established by notice from Lessee to Lessor, but not later than _____

OWN.
 ← INITIAL
 J.A.M.

3. **Rental.** Lessee agrees to pay rental of \$ _____ per month, payable in advance on the first day of each calendar month, commencing on the date that all improvements and equipment necessary for the storage and dispensing of petroleum products and the operation of an automotive service station business shall have been installed, as established above. Rental for any fractional part of a calendar month shall be prorated. **of the term hereof.**

Lessee shall pay said rental to Lessor at Victor W. Markov at 7300 East Marginal Way,
Seattle, Washington

6-1-64/5-31-74

cc Agreement between
 Markov & Socony Mobil Oil.

4. Use. Lessee may use the premises for the storage and dispensing of petroleum products and the operation of an automotive service station business and for any other lawful purpose; **provided however that Lessee will not use the use of the demised premises for the primary purpose of retailing or**

5. Improvements, Equipment. Lessee may install on the premises such improvements and equipment as it may require for the conduct of its business on the premises, and may, at any time while this lease is in effect or within 30 days after any termination thereof, remove any such improvements or equipment, whether affixed to the premises or not. In lieu of removing improvements or equipment installed by it, Lessee may abandon all such improvements or equipment or any part thereof.

Lessee U.W.M.

6. Utility Charges, Taxes. ~~Lessee~~ shall pay all costs of making water, gas, electricity and other utility services available on the premises. Lessee shall pay all charges for such utility services supplied to it. Lessee shall pay all taxes on any improvements and equipment owned by it on the premises and all license fees or other governmental charges resulting from Lessee's use of the premises. All other taxes, assessments or governmental charges shall be paid by Lessor.

7. Termination. ~~If at any time Lessee decides in its uncontrolled discretion that the premises cannot advantageously be used for the operation of an automotive service station business, Lessee may terminate this lease on not less than 30 days' notice to Lessor.~~

If Lessee or any sublessee is unable to obtain any license, zoning classification, variance or permit or renewal thereof required by any governmental agency in order to use the premises for the storage and dispensing of petroleum products and the operation of an automotive service station of the type and capacity and with the right of ingress and egress specified in any application to such governmental agency, or if any such license, zoning classification, variance or permit is cancelled, abridged or revoked, or if Lessee is prevented by governmental action, operation of law, injunction, condemnation, acts of God, acts of enemies or any cause beyond its control, from so using the premises or any material part thereof as determined by Lessee, or if ingress to the premises from any existing street or egress from the premises to any such street is cut off by any change in, or relocation of, such street, then Lessee may, at any time after the occurrence of any such event and while Lessee is so prevented from using the premises, terminate this lease on not less than 30 days' notice to Lessor and payment of the sum of \$10.00.

8. Defaults. If Lessor shall fail to pay when due any rental under any underlying lease, tax, assessment, interest on, or principal of, any mortgage or trust deed covering the premises or shall fail to pay any other charge or perform any act for which Lessor is responsible, and if such failure is not remedied by Lessor within 10 days after the giving of notice thereof by Lessee, Lessee may pay or perform the same without prejudice to any other rights or remedies, and deduct the cost thereof from any rentals or other payments then or thereafter due from Lessee. Lessee shall also be entitled to any right of subrogation granted by law and, in the event of foreclosure of any mortgage, trust deed or lien, Lessee may purchase the premises for its own account. If Lessor shall at any time be indebted to Lessee, Lessee may withhold and apply to such indebtedness any rentals or other payments then or thereafter due from Lessee.

If Lessee shall fail to remedy any default hereunder within 10 days after the receipt of notice thereof from Lessor, Lessor may at its option terminate this lease by notice to Lessee and re-enter and repossess the premises without prejudice to Lessor's accrued rights.

If any action or proceeding is instituted by either party to enforce any remedy to which it may be entitled under this agreement, the successful party shall be entitled to recover from the other party the costs of such action or proceeding and reasonable attorneys' fees incurred in connection therewith.

Two

9. Renewals. Lessee shall have the option to renew this lease for ~~two~~ successive terms of five years each on the same terms and conditions except as hereinafter stated, the first of such renewal periods to commence at the expiration of the term of this lease. To exercise each option Lessee shall give Lessor notice of its election to renew at least 30 days prior to the expiration of the then current term.

10. Holding Over. If Lessee shall hold over after the expiration of this lease or any extension or renewal thereof without having renewed the same or entered into a new lease, Lessee shall thereafter be deemed to be a tenant from month to month on all of the terms and conditions of this lease except as to the duration thereof.

11. Options to Acquire Premises.

(a) Option to Purchase. Lessee shall have the exclusive option to purchase the premises for the sum of \$~~10,000~~. Said option may be exercised by notice to Lessor at any time during the term of this lease or any extension or renewal thereof. Within seven days after Lessee gives such notice Lessee shall deposit in escrow the full amount of the purchase price, and within 30 days after such deposit Lessor shall deliver to Lessee a deed in form satisfactory to Lessee and, at Lessor's cost, a policy of title insurance in the amount of the purchase price, or in those areas where such insurance is not available, an abstract of title satisfactory to Lessee. Said policy or abstract shall show Lessee's interest as buyer of the premises free of all liens and encumbrances, except current taxes and assessments not yet due and except those liens and encumbrances that have been approved in writing by Lessee. On the recording of said deed this lease shall terminate.

(b) Preferential Option. In addition to the foregoing option Lessee shall have the preferential right provided for herein. Lessor shall not, during the term of this lease or any extension or renewal thereof, sell, lease, grant options with respect to, or otherwise dispose of the whole or any part of the premises without giving Lessee an option to acquire the same on the terms and conditions which Lessor is willing to accept from any other party. Lessor shall give Lessee prompt notice of said terms and conditions and shall permit Lessee to examine any acceptable offer. If Lessee exercises said option, it shall do so by notice to Lessor given within 30 days after receipt of the above referred to notice from Lessor. Within 30 days after Lessee gives such notice Lessee shall deposit in escrow the full amount for which Lessor is willing to dispose of the premises and within 30 days after such deposit Lessor shall, in the case of a sale, deliver to Lessee a deed in form satisfactory to Lessee and, at Lessor's cost, a policy of title insurance in the amount of the purchase price, or in those areas where such insurance is not available, an abstract of title satisfactory to Lessee. Said policy or abstract shall show Lessee's interest as buyer of the premises subject only to the liens and encumbrances which are specifically excepted in the proposed terms and conditions. In the case of any other disposition, Lessor shall deliver to Lessee an instrument in form and substance satisfactory to Lessee and sufficient to transfer the interest covered thereby. On the recording of said deed or instrument this lease shall terminate.

(c) Third Parties. Failure to exercise the options provided for in this Section on one or more occasions shall not affect Lessee's right to exercise them thereafter and any transfer by Lessor to a third party shall be subject to Lessee's right to acquire the premises from said third party in accordance with the provisions of this Section.

12. Option to Lease. In consideration of the sum of \$1.00, the receipt of which is hereby acknowledged by Lessor, Lessor agrees that this instrument until executed by Lessee, or until the expiration of 120 days from the date of the acknowledgment of Lessor's signature, whichever occurs first, shall constitute an exclusive right and option in favor of Lessee to lease the premises from Lessor on the terms and conditions specified herein. This option may be exercised by Lessee at any time within said 120-day period by Lessee's delivering personally to Lessor or sending to Lessor in accordance with the provisions of Section 14 an executed copy of this instrument. If the option is exercised by mailing, the sending of the lease shall be deemed completed at the time of mailing. If Lessee does not so exercise this option within said period, this instrument shall be of no further force or effect. If Lessee exercises this option, this instrument shall thereby become effective as a lease between the parties in accordance with the terms and conditions specified herein.

If there is any period of time between the date of the exercise of this option and the date of the commencement of the term of this lease, Lessee shall have the right to take possession of and to use the premises at any time during said period, which possession and use shall be deemed to be under a license free of all charges by Lessor.

U.W.M. INITIAL

13. First Lien and Encumbrance. This lease shall be a first lien and encumbrance against the premises, subject only to current taxes and assessments and to conditions, restrictions, reservations, easements and rights of way of record acceptable to Lessee.

14. Notices. Any notice hereunder shall be in writing and shall be delivered personally (to an officer or manager in the case of Lessee) or sent by registered or certified mail to Lessor at 7300 East Marginal Way South, Seattle, Washington, and to Lessee at 612 South Flower Street, Los Angeles 54, California unless changed by notice. Notice by mail shall be deemed given at the time of mailing.

15. Miscellaneous. This instrument and any modifications or supplements signed by the parties contain the entire agreement covering the subject matter. The right of either party to require strict performance shall not be affected by any previous waiver or course of dealing. This lease shall be binding on and inure to the benefit of the successors and assigns of the parties.

16. Riders. Paragraphs 17, 18, 19, 20, 21, 22, and 23 have been added as riders and are hereby made a part of this lease.

17. It is mutually understood between Lessor and Lessee that Lessor hereby reserves unto Lessor the northwesterly 30 feet and the easterly 30 feet of the above described premises for driveway purposes only in joint use with others for the benefit of Lessor, Lessor's agents, Lessees, employees and the public generally for the purpose of entering and leaving the adjacent property of Lessor. Lessor and Lessee agree to keep open said driveway areas at all times and not permit same to become obstructed in any manner whatsoever.

18. Notwithstanding anything in this lease to the contrary, it is mutually understood and agreed between Lessor and Lessee that in the event Lessee shall elect to terminate this agreement prior to the expiration of the 120 months term hereof under the rights provided herein, or, in the event Lessee shall elect not to renew or extend this lease for the first additional sixty months extended term as provided in Paragraph No. 9 hereof, then in that event, title to the improvements and equipment owned by Lessee then located upon the demised premises shall revert to Lessor and Lessee shall execute a proper Bill of Sale conveying to Lessor all of Lessee's right, title and interest in and to said improvements and equipment.

19. The parties hereto acknowledge that this is a sublease and subject to the terms and conditions of that certain lease between King County and Victor W. Markov and June A. Markov dated September 1, 1949 and terminating August 31, 1984.

20. As a further consideration of this lease, Lessee agrees to purchase the improvements and facilities presently located on the demised premises for a total consideration of Twenty-five Thousand Dollars and Lessor agrees to execute a proper Bill of Sale therefor.

21. Lessee agrees to indemnify and hold Lessor harmless from and against any and all claims and liability for damage to any property whatsoever, or for injury to or death of any person whomsoever, arising out of or in any way connected with Lessee's use, maintenance or operation of the demised premises.

22. Lessee may remove the reader board sign presently located upon the demised premises and will, at its sole cost and expense, re-install said sign at a location to be designated by Lessor on property adjacent to the demised premises.

23. In the event Lessee exercises the options provided in Paragraph 9 hereof, Lessee shall pay to Lessor as rental during said extended terms the sum of per month.

Victor W. Markov
Victor W. Markov

WITNESSES TO LESSOR'S SIGNATURE:

Mary Lou Hansen
Edward Hilpert Jr

June A. Markov
June A. Markov

Lessor

SOCONY MOBIL OIL COMPANY, INC.

By

Lessee

ATTEST: E. H. STEINHAUS
Asst. Secretary

STATE OF Washington }
COUNTY OF King } SS
On this 7th day of May, 1964, before me,
a Notary Public in and for King County,
personally appeared Victor W. Markov and June A. Markov

known to me to be the person S described in and whose name S subscribed to the within and foregoing instrument, and acknowledged to me that they executed the same as their free and voluntary act and deed for the uses and purposes therein contained.

In Witness Whereof, I have hereunto set my hand and official seal the day and year first above written.

(SEAL)

My Commission Expires:

4/27/65

Notary Public in and for the State of Washington

residing at Seattle.

THIS FORM OF ACKNOWLEDGMENT TO BE USED BY CORPORATIONS

STATE OF _____ }
COUNTY OF _____ } SS
On this _____ day of _____, 19____, before me,
a Notary Public
in and for _____ County, personally appeared _____

known to me to be and, being by me duly sworn, on oath did say and acknowledge that _____ he _____ the
of _____
the corporation that executed the within and foregoing instrument
and said _____
on oath, stated and acknowledged to me that: (1), _____ he _____, as such _____

being authorized so to do by the by-laws or board of directors of said corporation, executed, signed and sealed said instrument on behalf of said corporation; (2) _____ he _____ acquainted with the seal of said corporation and the seal affixed thereto is the corporation seal of said corporation; (3) the signatures to said instrument were made by officers of said corporation as indicated after such signatures; and; (4) said corporation executed said instrument as its free and voluntary act and deed, for the uses and purposes therein contained.

In Witness Whereof, I have hereunto set my hand and official seal the day and year first above written.

(SEAL)

My Commission Expires:

Notary Public in and for the State of _____

residing at _____

STATE OF New York }
COUNTY OF Queens } SS
On this 23rd day of May, 1964, before me,
CARL MCCREA, a Notary Public, personally appeared
H. D. JARROLD known to me to be the person who executed the
within instrument on behalf of SOCONY MOBIL OIL COMPANY, INC. and acknowledged to me that such Corporation
executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

(SEAL)

Notary Public in and for said County and State

My Commission Expires:

March 30th 1966

CARL MCCREA
Notary Public, State of New York
No. 41-7811135
Qualified in Queens County
Cert. Filed in New York County
Term Expires March 30, 1966

After Recording Mail to
SOCONY MOBIL OIL COMPANY, INC.

LESSOR:
SOCONY MOBIL OIL COMPANY, INC.

LEASE